



POSTAL SERVICE

Change in Rates and Classes of General Applicability for Competitive Products

AGENCY: Postal Service™.

ACTION: Notice of a change in rates and classifications of general applicability for competitive products.

SUMMARY: This notice sets forth changes in rates and classifications of general applicability for competitive products, namely, First-Class Package Service.

DATES: *Effective date:* July 9, 2023.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: On February 9, 2023, pursuant to their authority under 39 U.S.C. 3632, the Governors of the Postal Service established prices and classification changes for competitive products. The Governors' Decision and the record of proceedings in connection with such decision are reprinted below in accordance with section 3632(b)(2). Mail Classification Schedule language containing the new prices and classification changes can be found at www.prc.gov.

Sarah Sullivan,

Attorney, Ethics & Legal Compliance.

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES
IN RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE
PRODUCTS (GOVERNORS' DECISION NO. 23-1)**

February 9, 2023

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish changes in rates and classifications of general applicability for First-Class Package Service, one of the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the attachment. The attachment includes the draft Mail Classification Schedule sections with classification changes in legislative format.

In Governors' Decision 22-2, we established a variety of changes designed to simplify and streamline the Postal Service's ground competitive package offerings under one product, First-Class Package Service. Subsequently, in Governors' Decision 22-4, we delayed implementation of the changes and committed to implementing them this calendar year with a minimum of 30 days' notice. The changes we establish today will implement the approved changes and rename the First-Class Package Service product as "USPS Ground Advantage." The Retail and Commercial price categories will be maintained, and the Retail price category will retain its seal against inspection. USPS Ground Advantage will also include up to \$100 of insurance as well as cubic pricing tiers up to one cubic foot (1 cu. ft.). Certain additional changes are being made today, to clarify that dimensional weighting applies up to Zone 9, and to clarify that the dimension noncompliance fee applies to this product. We are also removing Certificate of Mailing and Certified Mail as available extra services that can be utilized with USPS Ground Advantage.

Rates are being established for USPS Ground Advantage, reflecting both ounce-based and pound-based rates, to take effect on July 9, 2023. These rates are designed to closely align with existing ground package rates established in January 2023. We understand that management may propose further updates to these proposed rates at our May meeting, which will be considered at that time. The Postal Service expects that its retail

and commercial customers will all benefit from this consolidated ground package offering, which beginning on July 9, 2023, will be known as USPS Ground Advantage.

ORDER

The changes in rates and classes set forth herein shall be effective at 12:01 A.M. on July 9, 2023. We direct the Secretary to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2) and direct management to file with the Postal Regulatory Commission appropriate notice of these changes.

By The Governors:

/s/

Roman Martinez IV
Chairman, Board of Governors

**UNITED STATES POSTAL SERVICE
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 23-1**

Consistent with 39 USC 3632(a), I hereby certify that, on February 9, 2023, the Governors voted on adopting Governors' Decision No. 23-1, and that a majority of the Governors then holding office voted in favor of that Decision.

/s/

Date: February 9, 2023

Michael J. Elston
Secretary of the Board of Governors

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